

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 397

March 29, 2011

SUMMARY OF BILL: Authorizes any Tennessee resident who is a United States citizen or permanent lawful resident, who has reached the age of 21, and is not prohibited from purchasing or possessing a firearm under state or federal law, to carry a firearm in this state except as otherwise prohibited by law. A Tennessee resident who is so authorized to carry a handgun may carry a handgun in any other state with which this state has entered into a handgun permit reciprocity agreement. Revises the current misdemeanor offense of carrying a weapon with the intent to go armed to make it an offense for a person to carry a weapon, openly or concealed, with the intent or avowed purpose of injuring a fellow man. Creates a Class C misdemeanor offense for a person who fails to accurately answer a law enforcement officer when asked whether the person is carrying a concealed weapon. Specifies that, unless suspended or revoked, a handgun carry permit would not expire and would not need to be renewed. Requires that a handgun carry permit be issued by the Department of Safety (DOS) as an endorsement on a state driver license. Firearms permit endorsements would be added to state driver licenses as they are issued or replaced.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue – \$4,785,000/Safety

\$472,500/Tennessee Bureau of Investigation (TBI)

Increase State Expenditures - \$173,300/Safety

Decrease Local Revenue - \$472,500

Increase Local Expenditures – Not Significant

Assumptions:

- According to the DOS Handgun Carry Permit Unit, the average number of original handgun carry permit applications per year is 45,000 with an application fee of \$115.
- There will be a loss in revenue for DOS, the Tennessee Bureau of Investigation (TBI), and local governments from the decrease in issuance of original handgun carry permits. DOS estimates a 70 percent reduction in the number of handgun carry permit applications (45,000 applicants x 70% = 31,500). The result will be a recurring loss in revenue of \$3,622,500 (31,500 x \$115). Revenue is distributed as follows: TBI receives \$15 (\$15 x 31,500 = \$472,500 decrease); local government receives \$15 (\$15 x 31,500 = \$472,500 decrease); and DOS receives \$85 (\$85 x 31,500 = \$2,677,500 decrease).

- DOS will incur a loss in permit renewal fee revenue. Currently DOS processes approximately 42,150 handgun carry permit renewals with a fee of \$50 per year. The result will be a recurring loss in revenue of \$2,107,500 ($\$50 \times 42,150$).
- Total recurring loss in state revenue is \$5,257,500 ($\$472,500 + \$2,677,500 + \$2,107,500$).
- DOS will make programming changes to the Driver License Information System (DLIS) to implement the provisions of the bill and print the endorsement on the driver license/ID card. Vendor card redesign costs include development, artwork, project management, quality control, testing, and programming for redesigned formats, and vendor-associated costs to redesign the DL/ID and program vendor card production system. DOS estimates a one-time cost of \$97,500 for these changes.
- Due to the limited number of DOS IT staff and current modifications to other TDOS systems, DOS will hire an IT contractor and OIR programmer to modify DLIS. The modifications to the DLIS database will require contract staff to work approximately 350 hours at \$90 per hour resulting in a one-time cost of \$31,500 ($350 \times \90), and approximately 590 programming hours at \$75 per hour resulting in a one-time cost of \$44,250 ($590 \times \75).
- Total one-time state expenditures to implement design changes to the existing system are \$173,250 ($\$97,500 + \$75,750$).
- There will not be a significant increase in the number of misdemeanor convictions. Any increase to the courts can be accommodated within existing resources.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

/lsc